

## **TRIP REPORT**

### **MUNICIPAL FINANCE AND BUDGETING AND TECHNICAL ASSISTANCE AND TRAINING IN PIATRA NEAMȚ, ROMANIA**

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## **ABSTRACT**

ICMA consultant Winston C. Evans traveled to Piatra Neamț, Romania, during October 5–17, 1995. The objective of the trip was to provide technical assistance and training to the City of Piatra Neamț to improve accounting for budgeted expenditures and the process, structure, and presentation of the 1996 budget. Specifically, the consultant set up and tested a U.S. firm’s personal computer based fund accounting system for possible use in Piatra Neamț and other municipalities and assisted the municipality with the implementation of a “bottom-up” budgeting process.

The consultant’s activities during this trip to Piatra Neamț built on his initial visit in August 1994, when he conducted an initial assessment of Piatra Neamț’s municipal finance and budgeting structure, capabilities, practices, needs, and concerns. The overall project is a part of the joint program of the Romanian Federation of Municipalities and USAID. The overall objective of this joint program is to enhance understanding of Romanian local government structure, practices, needs, concerns, and capabilities, as well as to provide various forms of technical assistance and training that respond to local government needs.

# **Trip Report: Municipal Finance and Budgeting and Technical Assistance and Training in Piatra Neamț, Romania**

## **1 INTRODUCTION**

### **1.1 Objectives**

ICMA consultant Winston C. Evans worked with municipal officials of Piatra Neamț, Romania, during October 5–17, 1995. The objective of the trip was to provide technical assistance and training to improve the accounting for budgeted expenditures and the process, structure, and presentation of the budget. Specifically, the consultant set up and tested a U.S. firm's personal computer based fund accounting system for possible use in Piatra Neamț and other municipalities and assisted the municipality with implementation of a “bottom-up” budgeting process.

In August 1994, the consultant conducted an initial assessment of Piatra Neamț's municipal finance and budgeting structure, capabilities, practices, needs, and concerns and provided recommendations, technical assistance, and training to address them. The overall project was a part of the joint program of the Romanian Federation of Mayors and USAID. The overall objective of this joint program was to enhance understanding of Romanian local government structure, practices, needs, concerns, and capabilities, as well as to provide various forms of technical assistance and training that respond to the needs of the local government.

### **1.2 Recent Events**

In September 1995, the Romanian government passed an ordinance amending the Budget Law of 1995. This action was necessitated by a projected State deficit in the current fiscal year ending December 31, 1995. To deal with the projected deficit, the State implemented a cutback in expenditures at all levels of government including transfers and subsidies to local governments. Local governments were required to reduce expenditures by 27 percent in the fourth trimester. This would not affect personnel expenditures but would reduce funding for investments. To ensure that the reduction was achieved, the State blocked previously approved credits for local government subsidies and investments until local governments could develop a specific plan for achieving the required reductions.

Romanian local governments spent the month of September determining the impact of this reduction and developing an adjusted investment list. A list of deferred investments was prepared and approved by the Local Council, Judete, and Ministry of Finance. Piatra Neamț had its planned investment expenditures reduced by 36.95 percent in the fourth trimester, which helped the Neamț Judet achieve a Judete wide 27 percent reduction. To achieve this reduction, Piatra Neamț deferred payments on the wastewater treatment plant expansion and construction of a street underpass—both of which were already under construction.

### **1.3 Current Work Plan**

The overall purpose of this trip was to provide technical assistance and training to implement recommendations made during the consultant's initial August 1994 visit. During this trip, the consultant:

- Assisted the Finance-Budget Director and staff to set up and test a PC based fund accounting system.
- Assisted the Finance-Budget Director to set up and conduct department budget reviews and resolve issues related to the 1996 budget
- Documented the results of the municipality's citizen participation initiatives proposed for the 1996 budget.
- Assisted the Mayor and Finance-Budget Director to conduct additional training seminars for municipal officials on budget and finance issues as needed.

## **2 FINDINGS AND RECOMMENDATIONS**

### **2.1 Evaluation of Financial Accounting System Software**

#### **Background**

To respond to Mayor Ocneanu's interest in automating the tracking of budget expenditures, the consultant surveyed firms that had PC based accounting systems installed in local governments. He concluded that one system had the best mix of capabilities, flexibility, and price and recommended that the city acquire the MIP system evaluation kit for further testing. The consultant purchased the MIP Fund Accounting system evaluation kit for the city and brought it to Piatra Neamț. Because it is an evaluation kit, it can only be used for a limited time, and the city will soon need to decide whether to purchase the software. The MIP company authorized the city to install, use, evaluate, and test the software until January 18, 1996 (approximately 120 days).

The MIP Fund Accounting system consists of six unique modules. These modules are designed to be integrated into a complete accounting system. "Integrated" means that the system posts transactions to a central set of ledgers to which all modules have appropriate access. The General Ledger module includes the system manager around which the MIP Fund Accounting System is built. The other modules can be added as required to serve the needs of all sizes and types of organizations.

The five modules (in addition to General Ledger) included in this system evaluation kit offer specialized accounting entry screens, reporting capabilities, and other features and benefits of interest to those with more sophisticated accounting and reporting requirements. These modules are:

- Budget Reporting
- Accounts Payable

- Encumbrance/Purchase Order
- Accounts Receivable
- Database Interface

General Ledger is the only module that can operate independently. All basic transaction types can be entered using the General Ledger module—cash receipts, cash disbursements, and budgets. For smaller organizations with simple automation needs, the General Ledger module can serve as a complete accounting system.

## **Approach and Findings**

The software was installed on the Finance Department's PC on October 5. Two tests of the system were planned: first, the MIP Fund Accounting system would be tested using the evaluation kit workbook provided by MIP. Piatra Neamț's personnel would set up the system, key in data transactions, and produce reports to familiarize them with the system and its capabilities. Second, as many of the system modules' capabilities as time permitted would be tested using Piatra Neamț's chart of accounts and transactions to produce required reports.

### **Test #1**

Following the evaluation kit instructions, city personnel set up the initial work station, created the system data base, and entered accounts for the general ledger, subaccounts to enhance external and internal reporting, customers, and suppliers. The timesaving devices included in the system and capabilities of the budget reporting module and reports were also reviewed. Test #1 was completed on October 9 without significant problems.

The findings from Test #1 are as follow:

- Software installation, using nine diskettes, was accomplished effortlessly and quickly.
- Those using the system generally agreed that its capabilities would be valuable to improve finance, accounting, and budgeting practices, especially the ability to track and report revenues and expenditures for different purposes and eliminate manual record keeping.
- The test demonstrated the need to provide basic computer orientation training and keyboarding for finance and accounting personnel if automation of the financial accounting system is the long-term goal. These staff personnel could not type and had rarely used a computer keyboard.
- The fact that the MIP software is an American system written in English will, as expected, slow the learning curve for personnel who do not read and understand English. A viable way of translating data entry screens, help texts, and training manuals into Romanian will be needed.
- Account code descriptions were entered in Romanian without problems; however, report headers and column headings, which are hard coded into the report format, remain in English. The system then will produce reports with headings in English and the user defined parts in Romanian. To produce reports totally in Romanian, the data will have to be exported via the Data Interface module to a word processing or spreadsheet program where all the elements are user defined.

- The examination workbook was a very good instructional tool. It was easy to read and covered each step in the set-up process in detail.

## Test #2

This test was more complex. It required setting up a new General Ledger chart of accounts in the MIP data base using Piatra Neamț's existing account numbering system. The consultant had extensive discussions with finance, accounting, and information services personnel to learn how the city's current chart of accounts, accounting, budgeting, inventory, and record keeping processes worked for each type of accounting transaction. After these discussions were completed, the consultant prepared a new chart of accounts and keyed it into the MIP Fund Accounting data base. Attachment A lists both the new chart of accounts loaded into the system and a "cross walk" from the existing city account codes. Other independent subaccounts were set up in the system to record budgeted expenditures and revenues by budget chapter and subchapter, city department, expenditure object code, and revenue source code (see Attachment B).

After the new chart of accounts and subaccounts were keyed into the system, a report was produced listing a chart of accounts for General Ledger and non General Ledger accounts for the staff's use (see Attachment C). This listing illustrates the mix of English headings and Romanian descriptions on system reports. With this major step accomplished, further testing of the various modules and their capabilities using Piatra Neamț data began.

The findings of Test #2 are as follow:

**General Ledger.** The MIP Fund Accounting system offers significant capabilities to improve the efficiency of the financial accounting, record keeping, and budget reporting.

- Keying in data is relatively easy; there are time savers built into the system to improve staff productivity.
- Reporting capabilities are enhanced by three independent subaccounts that allow for significant reporting flexibility.
- The system tracks budgeted revenues and expenditures within the General Ledger, eliminating the cost of additional modules.
- Financial statement reporting was tested to a limited degree by keying in beginning balances at January 1, 1995, and summary transactions to the general ledger for January to produce new balances at January 31, 1995. System report totals matched existing manual ledger totals.
- The system can be set up to produce a balance sheet similar to the format used in Piatra Neamț. The consultant produced a balance sheet for the period beginning January 1, 1995, and a second balance sheet for the period ending January 31, 1995. A trial balance report captured January 1995 debit and credit adjustments by General Ledger account. An infinite number of reports with different formats and time frames can be produced by the system because the report parameters are user defined, and the system's report writing capabilities are very flexible.

- The January 1995 revenues collected by the Treasury were keyed into the system, verified with Treasury totals, and posted to the general ledger. Currently, the city does not record revenues to the general ledger. They monitor revenues from the periodic reports they receive from the Treasury showing deposits to the city's revenue bank accounts and increase in the funds available to spend. The recording and accounting for revenues on the general ledger would give the city the capability to monitor budgeted revenues more closely and relate them to expenditures and available funds in the bank within a single automated financial accounting system.
- **A serious system constraint was found. The largest balance permitted is 10 digits left of the decimal (9,999,999,999.00).** Amounts larger than that do not register on reports. The major impact would be on accurate reporting of the budget since it is at 14.2 billion lei now. A report was printed to show the effect when this threshold is exceeded. Additionally, the largest total for financial statements is 11 digits left of the decimal (99,999,999,999.00). While the city's financial statement is currently within this range, this limitation leaves no room for growth.

**Budget Reporting Module.** This module is an exceptional tool for preparing budgets and alternative options. It was used to key in the 1995 Budget using the "create a budget worksheet" feature. The above limitation was avoided by using budget totals rounded to the nearest thousand lei, as the budget is currently prepared. With this rounding, the module offers the capability to budget revenues and expenditures by month for trimester reporting and annually for any combination of chapter, sub-chapter, department, object of expenditure, and revenue source. Copies of sample reports were prepared and given to the municipality. This feature alone will save many hours of manual calculations for each type of budget roll up that is required. Furthermore, the budget worksheet can be modified by multiples up to 100 times or reduced by any percentage chosen. It can be changed in total or by account. It can also be modified by a fixed amount of lei. The system will generate and store up to 15 different budget scenarios. Once final budget numbers are determined, the budget can be automatically posted to the General Ledger and revenue and expenditure tracking begun.

**Accounts Receivable.** This module is used by organizations for billing customers and recording the amounts to be received. The city establishes and monitors only about 50 accounts (debtors) throughout the year. At the beginning of this year, the staff reported only one account to key into the system. With such a small number of accounts, this module is not needed at this time. Accounts can be monitored through other parts of the General Ledger without impacting its operation.

**Accounts Payable.** Not tested. This module is used by organizations to record invoices from vendors or suppliers at the time of receipt and record and monitor those invoices in the system until paid and posted to the accounting system. The module also supports the accrual method of accounting. The city does not use accrual accounting but has about 250 supplier accounts that could be entered into this system if available. However, at the beginning of the year, there were no accounts outstanding, and so the module was not tested. This module is not essential to the system. It would, however, be beneficial to have and should be tested to assess its capabilities fully before a final decision is made to include or exclude it.



**Encumbrance/Purchase Order.** Not tested. This module allows organizations to control budgets more effectively by keeping track of their committed or **encumbered** funds. Romanian local governments are not required to encumber all the funds needed to pay an obligation or contract upon award. Thus, this module is not essential to the system and does not have to be acquired.

**Database Interface.** Not tested. This module is used to import data to and export data from MIP. This module is not essential to the system and does not have to be acquired.

## **Recommendations**

The consultant recommended that:

- The evaluation kit workbook be completely reviewed by the finance and accounting staff over the next 120 days. In addition to becoming familiar with the system, this review will enable them to better define their own accounting and budget system requirements. The evaluation kit and accounting system software were left with the finance staff for their use.
- Computer familiarization and keyboard training be provided as soon as possible to finance and accounting personnel who will use the computer regularly.
- The consultant work with the Finance-Budget Director to prepare system requirements and specifications if the city wants to pursue acquiring the MIP system or other systems.
- The Finance-Budget Director utilize the MIP Budget Reporting Module to develop the 1996 budget to meet the various reporting requirements, as well as to develop “what if” scenarios.
- Viorel Iamandi program the State mandated budget submission form on the Finance computer using either Microsoft Word or Excel to eliminate the manual recording and balancing of this multi-page columnar form.

## **2.2 Budget Preparation and Citizen Participation Plans in the 1996 Budget**

To accomplish this task, the consultant planned to assist the Finance-Budget Director to set up and conduct reviews of department budget requests and to resolve issues related to the 1996 budget and the 1996 supplemental budget booklet. Furthermore, the consultant expected to document the results of the municipality’s citizen participation initiatives proposed for the 1996 budget. Unfortunately, the Finance-Budget Director was preoccupied with mid-year budget reductions as described earlier in the report (section 1.2, Recent Events), and thus the recommendations outlined by the consultant in the August report were not accomplished. Nevertheless, the consultant assisted the Finance-Budget Director to complete the design of budget request forms and reviewed the budget instructions prior to their release, albeit later than planned. The consultant’s suggested additions and revisions were included in the final budget instructions to the departments.

### **3 FOLLOW-UP ASSISTANCE**

#### **3.1 Opportunities**

Mayor Ocneanu and his staff continue to be committed to improving the budget and financial systems in Piatra Neamț. The city is currently testing the MIP Fund Accounting system and will make a decision to purchase it in December 1995 or early January 1996. If they purchase this system they will need assistance in installing and training their personnel on the new accounting system, or if they choose to seek bids, they will need assistance in preparing system requirements and bid documents.

Over the last 18 months, the city has been introduced to and trained on numerous ways to improve the city's finance and budgeting systems. The responsibility now lies with them to continue to use and refine these tools and techniques. It would be appropriate to review the 1996 budget to summarize the changes made over this period and the benefits that have been derived from them.

#### **3.2 Future Work Plan**

Once the city has completed its evaluation of the MIP Fund Accounting software and completed the 1996 budget, a review of these two tasks should be completed to finish this project and document the results of the training and technical assistance. The municipality's progress in completing these two items should be monitored, and when completed, a follow-up visit should be scheduled. The work plan for the fourth quarter of 1995 and first quarter of 1996 should be updated as follows:

- Assist the Finance-Budget Director to complete the test of the PC based fund accounting system, document the findings and conclusions, and prepare a recommendation for system acquisition. Determine the need for additional technical assistance and training and benefit of the accounting software to Piatra Neamț and other municipalities.
- Review the 1996 budget and associated development processes; determine the need for further citizen information on the budget.
- Document the results of the municipality's citizen participation initiatives included in the 1996 budget.
- Assist the Mayor and Finance-Budget Director to conduct additional training on budget and finance related issues as needed.

## ATTACHMENT A

### Municipality of Piatra Neamt, Romania MIP Fund Accounting Old and New Chart of Accounts October 16, 1995

#### FUNDS

<u>Code</u>	<u>Title</u>
001	Fond operatii (General Operating Fund)
102	Fond rulment (Revolving Fund)
110	Fond mandat (Mandate Fund)
115	Fond investitii (Investment Fund)
119	Fond cu destinatie speciala (Special Destination Fund)
120	Fond activitati autofinantate (Self-Financed Activities Fund)

#### GENERAL LEDGER ACCOUNTS

<u>Code</u>	<u>Denumirea (Title in English)</u>	<u>New Code</u>	<u>New Description</u>	<u>Type</u>
01	Mijloace Fixe (Fixed Assets)	00100		Other
700	Finantare de la buget privind anul curent (Fundg fm budget curr yr)	01020		Cash
702	Finantare de la buget privind anii prec. (Fundg fm budget prior yrs)	01021		Cash
102	Disponibil.fond.rulment (Available revolving fund)	01022		Cash
13	Casa (Cash at City Hall)	01300		Cash
110	Disp.din sume de mandat (Available sums for mandates)	11000		Cash
115	Disp.pentru investitii (Available for investments)	11500		Cash
119	Disp.fondurile.dest.speciala (Available fm funds w/ spec dest)			
119.01.06	Disp.fond.dest.spec-garantii (Avail for sp.dest -guarantees)	11906		Cash
119.01.10	Disp.fond.dest.spec-sponsorizare(Avail for sp dest-sponsrshp)	11910		Cash
120	Disp.privind activ.autofin.(Avail funds regd self fin activities)	12000		Cash
150	Carnete de cecuri limita suma (Checks of limited sums-prepaid)	15000		Other

<u>Code</u>	<u>Denumirea (Title in English)</u>	<u>New Code</u>	<u>New Description</u>	<u>Type</u>
159	Bonuri de valoare (Value receipts-prepaid)			
159.01	Timbre postale (Postage stamps-prepaid)	15901		Other
159.04	Bonuri cantitati fixe (Fixed quantites' receipts-prepaid)	15904		Other
600	Materiale (Materials consumed)			
600.01	Medicamente se materiale sanitare (Drugs & medical materials)	16001		Other
600.02	Materiale de intretinere si gospodarie (Maintenance materials)	16002		Other
600.04	Materiale cu caracter functional (Functional materials)	16004		Other
600.09	Alte materiale (Other materials)	16009		Other
602	Obiecte de inventar in magazine (Storehouse inventory)	16020		Other
603	Obiecte de inventar in folosinta (Inventory objects in use)	16030		Other
		20201	Due fm Oper Fund	Interfund
		20202	Due fm Revolv Fund	Interfund
		20210	Due fm Mandate Fund	Interfund
		20215	Due fm Investmt Fund	Interfund
		20219	Due fm Spec Dest Fnd	Interfund
220	Debitori (Debts owed to City)	22000	Accts Receble-Customr	A/R
		22001	Debts Owed Non A/R	Other
230	Decontari cu salariatii (Gross salary for employees)	23000		Other
231	Retineri din salarii pentru terti (Withholdg employ salary for 3rd parties)			
231.02	Rate CEC+Marf+RAGLT (Amt to be pd to CEC, Marf, &RAGLT)	23102		Other
231.03	Rate CAR +chirii (Amt to be pd to CAR and rents)	23103		Other
231.06	Garantii gestionare (Employee's performance guarantees )	23106		Other
231.07	Garantii licitatii (Bid guarantees)	23107		Other
231.09	Alti creditor (Other creditors)	23109		Other
231.10	Alti creditor (Other creditors)	23110		Other
232	Decontari cu bugetul statului (Discounts w/ state budget)	23200		Other
233	Decontari cu bugetul asigurarile sociale (Disc w/ bud social ins)			
233.01	Decontari privind CAS 23% (Disc re inst contri social insurance)	23301		Other
233.02	Decontari privind contrib PS 3%(Disc re emp contri for pens supmt)	23302		Other
		23399	Vendors Non A/P	Other

<u>Code</u>	<u>Denumirea (Title in English)</u>	<u>New Code</u>	<u>New Description</u>	<u>Type</u>
234	Furnizori (Suppliers)	23400	Accts Payable-Vendors	A/P
		23401	Due to Gen Oper Fund	Interfund
		23402	Due to Revolvng Fund	Interfund
		23410	Due to Mandatte Fund	Interfund
		23415	Due to Investmt Fund	Interfund
		23419	Due to Spec Dest Fund	Interfund
235	Decontari privind contri A.S. (Disc re contrib for unemploy fund)	23500		Other
310	Fondul mijloacelor fixe (Fixed asset fund-P offset for 01)	31000		Other
311	Fondul obiectelor de inventar (Inventory fund P offset for 602)	31100		Other
337	Fonduri cu destinatie speciala (Funds w/ special destinations)	33700		Other
		33900	Revol Fund temp loans	Other
		34000	Fund Bal-Restricted	Other
		34100	Fund Bal-Unrestricted	Other
410	Cheltuielile institutiei de la buget (Instit expenditures fm the budget)	41000		Expenditure
415	Cheltuielile pentru investiti	41500		Expenditure
420	Cheltuielile activitatilor autofinantate (Expend for self fin activities)	42000		Expenditure
421	Cheltuielile din fond.cu dest.spec. (Expend fm spec destination funds)	42100		Expenditure
		50000	Venituri proprii	Revenue
		50100	Subventi salarii impozit	Revenue
		50200	Subventi primite	Revenue
520	Veniturile activitatilor autofin.(Revenues fm self-financed activities)	52000		Revenue
528	Veniturile din anii precedenti si alte res (Rev fm prior yrs & oth res)	52800		Revenue
531	Veniturile de realizat (Revenues to be realized)	53100		Revenue

## ATTACHMENT B

### Piatra Neamt's New Subaccounts for the MIP Fund Accounting System

#### Subaccount A—Capitol Cod (Chapter Codes)

<u>Account</u>	<u>Title</u>
511	Invatamint (Education)
01	Invatamint prescolar (Kindergarden)
02	Invatamint primar si secundar (Primary & Secondary
03	Invatamint complementar (Complimentary)
04	Invatamint profesional (Professional)
05	Invatamint liceal (High School)
06	Invatamint postliceal (Technical)
08	Inv pt copii cu defitiente (Handicapped Homes)
09	Case de copii (Foster Homes)
521	Sanatate (Health)
01	Dispensare medicale (Dispensaries)
02	Spitale (Hospitals)
03	Sanatorii, preventorii, disp, TBC (Sanatoriums)
04	Crese (Child Care)
05	Leagane de copii (Orphanages)
06	Centre recoit si conserv singe (Blood Donation Centers)
07	Statii de salvare (Ambulance)
30	Alte instit si actiuni sanitar (Other)
531	Cultura si Arta (Culture and Arts)
01	Biblioteci publice (Public Libraries)
03	Muzee (Museums)
04	Teatre si institutii muzicale (Theaters)
06	Scoli populare de arta (Art Schools)
07	Case de cultura (Houses of Culture-City)
08	Camine culturale (Houses of Culture-Rural)

**Subaccount A—Capitol Cod (Chapter Codes)**

<b><u>Account</u></b>	<b><u>Title</u></b>
09	Centre conserv traditii pop (Folk Organizations)
30	Alte instit/act cultura & arta (Other)
541	Asistenta Sociala (Social Assistance)
01	Camine batrini si pensionari (Pensioner's Houses)
02	Camin spital invalizi (Invalids' Houses)
03	Camine pt copii infirmi(Crippled Childrens Houses)
04	Cantine de ajutor social (Cantines)
05	Centre de primire a minorilor Homeless Childrens' Centers)
06	Plasament familial (Foster Care)
07	Ajutor banesc incalzire locuin (Heating Assistance)
30	Alte act asistenta sociala (Other)
621	Gospodarie Comunale si Locuinte (Public Works and Housing)
01	Intretinere si reparare strazi (Street Maintenance & Repair)
02	Iluminat (Public Lighting)
03	Salubritate (Sanitation)
04	Intret parcuri si zone verzi (Maintenance of Parks and Green Areas)
05	Intret & funct domeniu public (Maintenance of Public Domain)
06	Energie termica pt populatie (Thermal Energy)
07	Locuinte (Housing)
08	Statii epurare ape menajere (Waterwater Treatment Plant)
30	Alte act de gospod comunale (Other)
691	Autoritati Executive (Executive Authorities)
02	Org adm pub loc de specialitat Local Public Administration)
771	Transporturi si Comunicatii (Transportation and Communication)
04	Drumuri si poduri (Roads and Bridges)

**Subaccount A—Capitol Cod (Chapter Codes)**

<b><u>Account</u></b>	<b><u>Title</u></b>
06	Transport in comun (Public Transportation)
30	Alte cheltuieli transp si comunicat (Other)
851	Alte actiuni (Other activities)
01	Comandamente militare (Military Centers-CD)
30	Alte cheltuieli (Other expenditures)
971 04	Fondul de reserva bugetara (Reserve fund)
971 05	Adm Financiara - Trezorerie (Finance Administration - Treasury)
971 06	Casa primarie (City Hall cashier)
971 07	Non capit (Non chapter)



**Subaccount B—Departmental Cod (Department codes)**

<b><u>Account</u></b>	<b><u>Title</u></b>
00	Consiliul Local (Local Council)
01	Primar (Mayor)
02	Vice Primar (Vice Mayor)
03	Secretar (Secretary)
05	Directia Administratie Publica ( Public Administration Dept)
10	Biroul Contecios (Legal Bureau)
15	Directia Economica (Economic Dept)
20	Biroul Aparare Civila (Civil Defense Bureau)
25	Biroul Resurse Umane (Human Resources Bureau)
30	Serviciu Relatii Publice, Protocol (Public Relations Service, Protocol)
35	Biroul Corp Control Comercial (Commercial Control Bureau)
40	Biroul Administrative (Administration Bureau)
45	Directia Urbanism (Urban Planning Dept)
50	Serviciul Investitii (Investment Services)
55	Dotari Pt. Administratia Public Locala (Equipment for Local PublicAdmin)
60	Fond de Rezerva (Reserve Fund)
62	Locuinte (Housing)
64	Gospodarie Comunale (Urban Planning)
65	Asistenta Sociala (Social Assistance)
70	Alte Actiuni (Other Activities)
75	Serviciu Contracte cu Regia (Service Contract with Regia)
76	Serviciu Contractat cu RENEL
	Transfers for Other Governmental Agencies:
80	Sanatate (Public Health materials)
85	Invatamint (Education materials)
	Subsidies for Social Protection
90	Energie Termica (Thermal Heating)
95	Transport (Transportation)
98	Cultura si Arts (Support for Cultural Arts)
99	Non Departamental (Non departmental)

**Subaccount C—Object of Expenditure and Revenue Sources****Account****Title**

## EXPENDITURE OBJECTS

01001	Cheltuieli de personal/buget (Personal expenditures)
01010	Salarii (Salary)
01011	C.A.S. (Contributions for social insurance)
01012	Fond somaj (Unemployment fund)
01013	Deplasari, detasari, transferuri (Travel, transfers)
02021	Drepturi cu caracter social (Payments for foster care and blood donations)
02022	Hrana (Food)
02023	Medicamente (Drugs)
02024	Cheltuieli de intretinere si gospodari (Repair and maintenance)
02025	Materiale si servicii cu caracter functional (Specific materials and services)
02026	Obiecte de inventar (Inventory)
02027	Reparatii curente (Current repairs)
02028	Reparatii capitale (Capital repairs)
02029	Carti si publicatii (Books & publications)
02030	Alte cheltuieli (Other materials and service expenditures)
03035	Subventii (Subsidies)
03537	Transferuri ajutoare sociale (Transfers for social relief)
03541	Alte transferuri (Other transfers)
04072	Investitii proprii (Own investments)
04073	Investitii ale regiei autonome (Investments of the Regia)
04074	Non obiect cheltuieli (No expenditure object)

**Subaccount C—Object of Expenditure and Revenue Sources****Account****Title**

## REVENUE SOURCES

05011	Impozit pe profit (Tax on profits)
05102	Impozit venit.liber-profesionisti (Tax on professions and handicrafts)
05103	Impozit cladiri si teren.pers.fizit (Tax on buildings and land)
05104	Taxe milj.transp.detinute persoane fiz.(Tax on vehicles)
05105	Taxe timbr.succ.si alte taxe (Inheritance and other taxes)
05120	Alte impoz.si taxe de la pop.(Other taxes)
06101	Taxa pt.folos.teren.prop.stat (Charge for leasing land fm state)
06104	Impozit .clad si teren pers juridic (Tax on corporate buildings and land)
06105	Taxe mij.transp.detin.agen.ec.(Tax on corporate vehicles)
07100	Impozitul pe venital agricol (Tax on agricultural revenue)
13100	Impozitul pe spectacole (Tax on shows/performances)
15101	Taxe timbru persoane juridice (Stamp fee for corporations)
15102	Maj,penaliz,intirz,venit.nev. (Penalties for delinquent payments)
20100	Varsaminte profit net regie (Payments from Regia net profit)
21110	Taxe condut.auto.elib.permis (Payments from auto driver exam & tests)
21115	Varsam.dispon.inst.publ.autofin.(Payments from public institutions)
21130	Alte venit.de la inst.publ (Other revenues from public inst)
22102	Venit.recup.chelt.jud.despagub (Reimbursement fm law suits, damages)
22103	Venit.amenzi dispoz.legale (Fines and legal dispositions)
22105	Restit.fond.finant.bug.ani pre (Prior year fund reimbursements)
22109	Venituri din concesiuni i.p.(Concession leasing)
22120	Incasari din alte surse (Payments fm other sources)

**Subaccount C—Object of Expenditure and Revenue Sources**

<b><u>Account</u></b>	<b><u>Title</u></b>
30101	Venit.valorif.bunuri inst.publ (Delinquent account payments-public inst)
30103	Venit.vinz.loc.contr.fond.stat (Sale of apartments built fm state funds)
34100	Sume defalcate.din impoz.pe salarii (Deductions fm salary tax)
35101	Subventii primite bug.locale (Subsidies for local budget- social protection)
35102	Subventii pe prod.si activit.(Subsidiies for local budget-investments)
35103	Subv acoper dif pret - tarif (Subsidies for differing prices/tariffs)
46100	Imprumuturi din fond de rulment (Loans from reserve fund)
46200	Non Obiec venit (No revenue object)

**ATTACHMENT C**

**MIP System: Chart of Accounts Listing  
October 16, 1995**